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ABSTRACT

The Department of Public Works (DPW) was provided $12.3 million to construct seven new educational buildings at the correctional institution in Lorton, Virginia. The funds provided under the Criminal Justice Initiative (CJI) were intended to expand the academic and vocational training programs for residents of the District of Columbia's institutions to provide them basic life skills and a trade that they could use upon release to avoid a future life of crime. Programs developed under CJI were to serve as a model for the nation's correctional community. Thirty-eight months after architect/engineering firms were selected to design the facilities, DPW had spent about $6.2 million and had not completed the first facility. Reasons for the construction delays included less time than normal for planning, the disruptive effects of the reorganization that led to establishment of DPW, a lengthy procurement process, inadequate oversight of construction activities, and poor management practices. DPW initiated action intended to minimize such delays on future projects and to improve overall departmental operations. (The briefing report is followed by two appendixes giving background information and detailed study findings and including photographs of construction progress to June 2, 1987. A third appendix contains comments from the District of Columbia government.) (YLB)

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United States General Accounting Office

GAO

Briefing Report to the Chairman, Subcommittee on the District of Columbia, Committee on Appropriations, U.S. Senate

October 1987

DC GOVERNMENT

Problems Have Created Delays in Constructing Educational Facilities at Lorton

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United States
General Accounting Office
Washington, D.C. 20548

General Government Division

B-204325

October 23, 1987

The Honorable Tom Harkin
Chairman, Subcommittee on the District
of Columbia
Committee on Appropriations
United States Senate

Dear Mr. Chairman:

This report focuses on the status of $12.3 million in capital funds provided to the District of Columbia for constructing permanent academic and vocational facilities at its Lorton complex. This report responds to the June 6, 1986, request of Senator Arlen Specter, then Chairman of the subcommittee, to determine if funds appropriated to the District in fiscal years 1984 through 1986 for the Criminal Justice Initiative (CJI) were spent in accordance with congressional intent.

Our work was done at the Departments of Public Works and Corrections, during the period July 1986 through May 1987, and primarily focused on the construction of seven new educational buildings at the correctional institution in Lorton, Virginia. Our review did not focus on the renovation work performed at the D.C. Jail or the status of $1.4 million in capital funds retained by the Department of Corrections (Corrections) to equip the classrooms.

We interviewed responsible agency officials, representatives of the firms contracted to design and build the facilities, and the construction management firm which currently supervises construction work at Lorton; reviewed agency files, records, contracts, and internal memoranda; and visited the construction sites. We also contacted the General Services Administration to discuss its experience using the phased design and construction technique, the method used by the District on the CJI construction. Our work was performed in accordance with generally accepted government auditing standards.

The funds provided under CJI were intended to expand the academic and vocational training programs for residents of the District's correctional institutions in an attempt to provide residents basic life skills and a trade which they could use upon release to avoid a future life of crime (see app. I). It was initially envisioned that the programs developed under CJI would serve as a model for the nation's

correctional community. However, the funds were provided outside the District's normal budget cycle, with minimum planning for program implementation and facilities construction. Nonetheless, the District attempted to produce tangible results in short time frames.

Of the $41.1 million provided to Corrections, $13.7 million was earmarked to build, renovate, and equip classroom facilities. Corrections subsequently provided $12.3 million of these capital funds to the Department of Public Works (DPW) to build the facilities and retained $1.4 million in its capital account to equip the classrooms. The remaining $27.4 million was appropriated for operating purposes.

Although the CJI construction projects were assigned a high priority, progress has been slow (see app. II). In February 1984, Corrections advised DPW of the additional space needs and initially expected that the classrooms would be completed by October 1985. As of June 30, 1987, 38 months after the architect/engineering firms were selected to design the facilities, DPW had spent or obligated about half of the CJI capital funds and had not completed the first classroom building. In addition, DPW estimates that available funds are not sufficient to complete the projects and has requested an additional $4.3 million in the fiscal year 1988 budget. The additional money will be provided from the proceeds of general obligation bond sales.

Construction started in April 1985, and DPW inspected and accepted the last of seven foundations in September 1985. However, in August 1986, the superstructure contractor for the first three buildings informed DPW that there were inconsistencies and/or incompatibilities between the first three foundations, as built, and the superstructure designs for the buildings. DPW and the architect/engineering firm undertook an extensive investigation to determine the extent of the problem. Deficiencies were found in all three foundations. Two were determined to be structurally unsound. One of the two foundations had to be completely removed and is to be reconstructed. The deficiencies at the third foundation were not serious enough to affect construction of the superstructures. DPW then required the architect/engineering firm for the remaining four foundations to investigate the completed construction. The investigation showed that the four foundations were also deficient and a more in-depth investigation is underway to determine the extent of the deficiencies.

Our review showed that the delays in completing the facilities are attributable to:

-- Less time than normal to plan for facilities construction. The concept to expand the academic and vocational programs and build facilities to accommodate this expansion was developed near the end of the fiscal year 1984 budget process. Normally, the District's budget is formulated 18 months in advance of the effective date of the fiscal year appropriation and capital project planning begins even earlier.

-- Disruptive effects of the departmental reorganization that led to the establishment of DPW. The consolidation of several entities from diverse locations into a single, large, centralized department necessitated the movement of personnel, property, and records and affected DPW's ability to give the CJI projects adequate management attention.

-- A lengthy contract procurement process. For example, an external report on the District's procurement process points out that this process involved a myriad of steps and normally required more than 105 days to award a contract after the agency requested a procurement.

-- Inadequate oversight of construction activities. DPW assigned one full-time inspector to oversee all construction activity at the Lorton correctional complex, including the CJI foundation construction.

-- Poor management practices. The CJI projects were assigned a high priority, yet, DPW did not assure that the projects had continuity of management, or that individuals carried out their specific managerial responsibilities appropriately. Five different project managers were assigned during the first three years of program operations. Also, the area engineer did not appropriately oversee the inspection function.

DPW has initiated action intended to minimize such delays on future projects and to improve overall departmental operations. For example, DPW has taken steps to reduce contract processing time. In June 1986, DPW was given the responsibility for advertising solicitations and opening bid documents, formerly done by the Department of Administrative

Services, which eliminates some of the processing steps and should reduce processing time.

In March 1987, DPW also strengthened its inspection activities. It established a unit which is responsible for maintaining complete up-to-date drawings and specifications and reviewing drawings submitted by contractors for compliance with contract requirements. It also increased the size of the authorized staff responsible for inspections by eight positions.

Also, DPW has improved its contract document. In March 1987, it modified its construction contract provisions to provide for construction contractor performance ratings and added a special stipulation which requires that a contractor furnish as-built drawings--drawings which reflect what the contractor actually built. The need for the extensive investigation of the as-built conditions of the foundations would likely have been minimized, had this been a requirement on the CJI projects.

Recognizing that it is too early to determine the extent to which the corrective actions taken by the Director, DPW, will prevent problems on future construction projects, we are recommending that the Mayor, after allowing sufficient time for corrective measures to take effect, direct the City Administrator to have an independent assessment made of the effectiveness of the operational improvements.

We provided a draft of this report to DPW and Corrections; their comments are included in appendix III, and discussed on page 28 of appendix II. DPW acknowledged that the CJI construction did not represent DPW's best effort either in terms of its contractors' performance or DPW's management oversight of the project. Corrections said that the report was both accurate and comprehensive. They pointed out that the first facility--at Youth Center I--had been completed on August 14, 1987.

As arranged with your office, unless you publicly announce its contents earlier, we plan no further distribution of this report until 30 days after its issue date. At that time, we will send copies to other interested parties and make copies available to other parties upon request.

If you have any questions about this report, please call Gene Dodaro on 275-8387.

Sincerely yours,

W. J. Anderson

William J. Anderson
Assistant Comptroller General

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Abbreviations

A/E	Architect/Engineer
CJI	Criminal Justice Initiative
DAS	Department of Administrative Services
DPW	Department of Public Works
NAPA	National Academy of Public Administration

BACKGROUND

The District of Columbia's Department of Corrections is responsible for keeping men and women sentenced by the courts safe and secure and preparing them to reenter society. The District's correctional complex at Lorton, Virginia, consisting of eight facilities, carries out these responsibilities for about 9,600 males who have been sentenced by the District's Superior Court or the U.S. District Court for the District of Columbia. Other sentenced offenders are housed in the District's jail in Washington, D.C., in the federal prison system, and in halfway houses in the District. Recognizing that there was a high incidence of recidivism among convicted D.C. offenders, Congress appropriated federal funds to the District in an attempt to break this cycle of crime.

During fiscal years 1984 through 1986, $41.1 million was provided to the District to implement the Criminal Justice Initiative (CJI). The intent of CJI is to expand the academic and vocational training programs for residents of the District's correctional institutions in an attempt to provide residents basic life skills and a trade which they can use upon release rather than returning to a life of crime. The subcommittee envisioned that the expanded programs would serve as a model for the nation's correctional community.

The $41.1 million appropriated to the District was intended to be used to

-- hire additional correctional officers to provide security and classification and parole officers to more effectively process the ever-increasing resident population;

-- support expansion of the academic and vocational programs by hiring additional instructors and support staff and purchasing equipment; and

-- build, renovate, and equip classroom and vocational facilities at the institutions.

The Department of Corrections (Corrections)--the entity responsible for operating the correctional facilities--was tasked with implementing CJI. The Department, among other things,

-- established the position of Assistant Director for Educational Services to oversee program implementation;

-- developed a 5-year plan detailing how, and when, various facets of the CJI would become operational; and

APPENDIX I

-- transferred to the Department of Public Works (DPW) $12.3 million of capital funds to be used for constructing academic and vocational facilities.

APPENDIX II

FACILITIES DELAYED DESPITE ATTEMPT TO EXPEDITE CONSTRUCTION

DPW was provided $12.3 million, during fiscal years 1984 and 1985, to design and construct seven new facilities and renovate existing facilities to accommodate the expanded academic and vocational programs envisioned under CJI. Because funding for CJI was provided outside the normal budget cycle, planning for program implementation and facilities construction was limited as discussed on pages 20 and 21.

The new facilities being constructed under CJI were initially scheduled to be completed by October 1985. One attempt to expedite construction, to meet congressional desires, was DPW's adoption of the phased design and construction technique (fast-track), whereby foundations would be designed and construction would begin while the designs for the academic and vocational facilities (superstructures) were being finalized.

However, as of June 30, 1987, 38 months after the architect/engineering firms were selected to design the facilities, DPW had spent or obligated about $6.2 million and had not completed the first facility. The remaining $6.1 million is insufficient to complete all planned construction. The District's fiscal year 1988 budget requests an additional $4.3 million to be provided from general obligation bond sales to complete construction. The reasons for the construction delays disclosed by our review included less time than normal for planning, the disruptive effects of the reorganization that led to the establishment of DPW, a lengthy procurement process, inadequate oversight of construction activities, and poor management practices.

DPW ATTEMPTED TO EXPEDITE CONSTRUCTION

During the period November 1983 to February 1984, Corrections determined its additional space requirements for the expanded academic and vocational programs. Most of the additional space was to be provided by constructing seven new buildings at five of the correctional facilities at Lorton. DPW was provided $8.5 million in fiscal year 1984 to design and construct these facilities, which were planned for completion by October 1985.

DPW awarded a contract to one architect/engineer (A/E) firm to design the three academic buildings at Youth Centers I and II, and Occoquan II. A second A/E firm was selected to design one academic and two vocational buildings at Central Facility and an academic building at Maximum Security. These two A/E firms were selected on April 13, 1984, and were supposed to complete their work under the contract by August 2, 1984.

DPW then opted to fast-track the construction by using the phased design and construction technique, and on May 1, 1984, advised the A/Es to design the foundations first so that foundation construction could be started while the superstructure designs were being completed. The foundation designs were to be completed by June 8, 1984, with construction to begin in mid-June 1984. The superstructure designs were to be completed by August 2, 1984, with construction planned to start by mid-August 1984.

The A/Es submitted the foundation designs to DPW after the June 8, 1984, specified date--on June 11, and July 18, 1984. DPW authorized extensions to the completion date for the superstructure designs due to changing requirements such as relocation of a guard tower and basketball court. The A/Es ultimately submitted the superstructure designs on November 1, and November 26, 1984, later than the August 2, 1984, date initially specified.

Foundation construction

DPW requested proposals to build the foundations from contractors in July 1984. According to DPW's contract files, after bid opening on July 31, 1984, DPW determined a proper evaluation of the bids could not be made because of conflicting instructions regarding the basis to be used in evaluating the bids.

DPW resolicited bids and received three bids on August 22, 1984, but did not select a contractor to build the foundations until November 29, 1984, almost 5-1/2 months later than originally planned.

The seven foundations were to be completed within 60 days of the date DPW advised the contractor to proceed. Through mutual agreement between DPW and the contractor, the start of construction was delayed until April 15, 1985, to avoid starting construction during winter months. Construction started in April 1985 and DPW inspected and accepted the first six foundations on August 28, 1985, and the last foundation on September 18, 1985. This was about 90 days after the contract's scheduled completion date and over 1 year later than originally envisioned. A DPW official told us that DPW does not plan to assess liquidated damages for the late delivery of the foundations. In addition, deficiencies were subsequently noted in the foundations (see page 11).

Superstructure construction

DPW intended to award two contracts to construct the buildings. Bids for the seven superstructures were opened on January 15, and March 26, 1986. This was about 17 and 19 months later than originally planned.

DPW determined, in January 1985, that the $8.5 million provided for construction in fiscal year 1984 was not sufficient to complete all seven superstructures, so bids were not solicited at that time for any of the superstructures. DPW officials told us that they would not solicit bids for a project unless the funds were in DPW's possession. DPW estimated at that time an additional $3.8 million was needed to complete the projects. The $3.8 million requested as supplemental fiscal year 1985 funding was approved by Congress and deposited to DPW's capital account on October 15, 1985, bringing the amount provided to DPW for the CJI projects to $12.3 million.

The sole bid received to construct the four buildings at Central Facility and Maximum Security was rejected because it exceeded the District's estimate. The sole bid to construct the three buildings at Youth Centers I and II, and Occoquan II was accepted. The contractor was notified to proceed with construction in June 1986 and, according to the contract terms, the three buildings were to be completed in June 1987, almost 2 years after the originally scheduled completion date of October 1985 for all seven buildings.

In August 1986, the superstructure contractor informed DPW that inconsistencies and/or incompatibilities were noted between the foundations, as built, and the superstructure designs for the three buildings. DPW and the A/E undertook an extensive investigation to find out precisely how the foundations had been constructed. DPW engineers required excavation of the soil adjacent to the foundations to measure the actual dimensions of the exterior wall footings, and required that test pits be bored in the concrete to determine the location and depth of interior wall footings and overall thickness of the concrete slabs.

The investigation showed that

-- the discrepancies at Youth Center I were not serious enough to affect construction of the superstructures and

-- the foundations at Youth Center II and Occoquan II were structurally unsound.

In order to correct the deficiencies at Youth Center II, DPW officials said that in January 1987, the contractor--at no cost to the District--poured an additional 6-inch mat of concrete over the existing foundation. At Occoquan II, the foundation was removed in June 1987, and a new foundation is to be constructed. The Chief of DPW's Bureau of Building Construction Services told us that DPW has determined that the responsibility for the deficiencies rests with the foundation contractor.

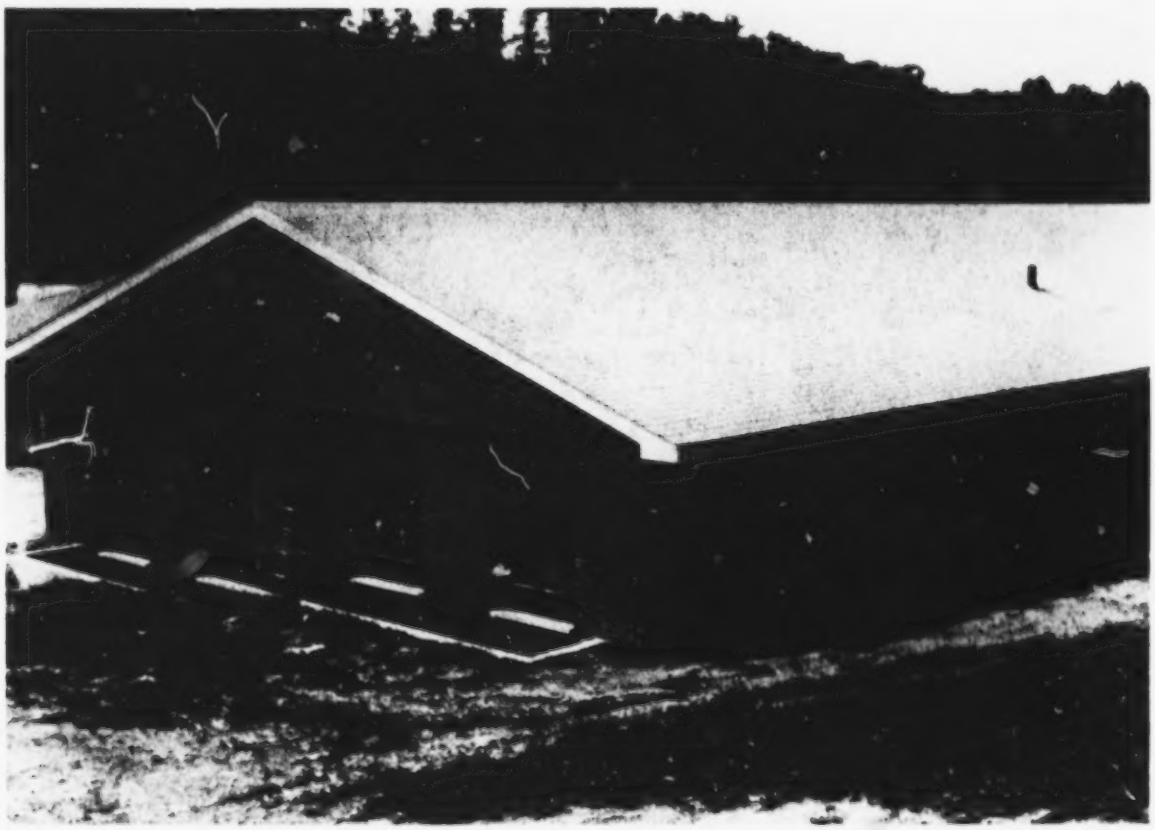
With regard to the final four buildings at Central and Maximum Security, bids were again solicited in October 1986. The contractor who had submitted the only bid on the previous solicitation for these buildings was the only bidder. The bid was again considered to be too high. In June 1987, the project manager informed us that they had negotiated a more favorable price with the sole bidder. As of June 30, 1987, no contract had yet been awarded for the remaining four facilities.

DPW--in October 1986--had directed the A/E firm that designed the foundations to investigate the as-built condition. The firm submitted its report to DPW in February 1987. The A/E's report noted that deficiencies in several of the foundations were serious enough to require major corrective action. In April 1987, the A/E firm was directed to conduct a more extensive investigation of the as-built condition of the foundations, including boring test pits in the concrete slabs to determine the true extent of the deficiencies. As of June 30, 1987, the extent of the deficiencies in the foundations had not been established.

STATUS OF PROJECTS
AS OF JUNE 1987

The following photographs show construction progress to June 2, 1987.

Figure II.1 Academic Building at Youth Center I



Source: U.S. General Accounting Office
Anticipated completion: August 1987

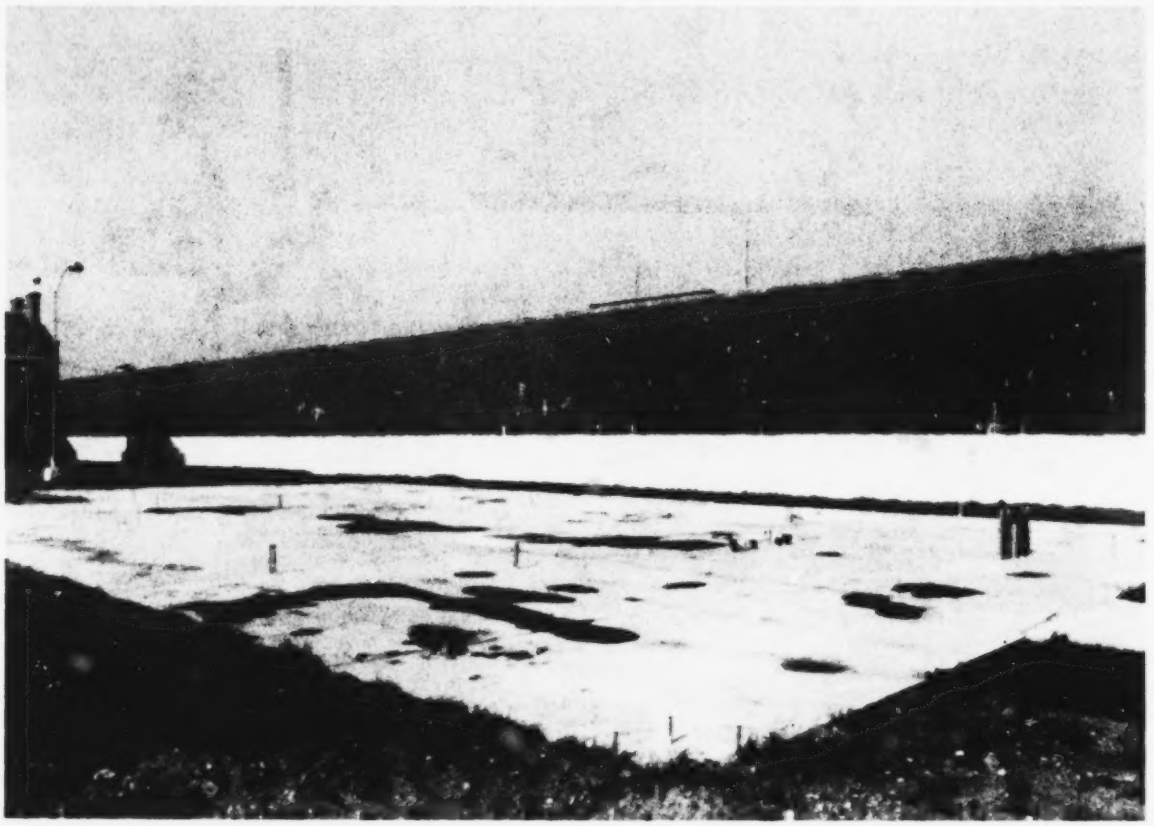
Figure II.2 Academic Building at Youth Center II

Source: U.S. General Accounting Office
Anticipated completion: September 1987

Figure II.3 Academic Building at Occoquan II

Source: U.S. General Accounting Office
Anticipated completion: April 1988

Figure II.4 Academic Building at Maximum Security



Source: U.S. General Accounting Office

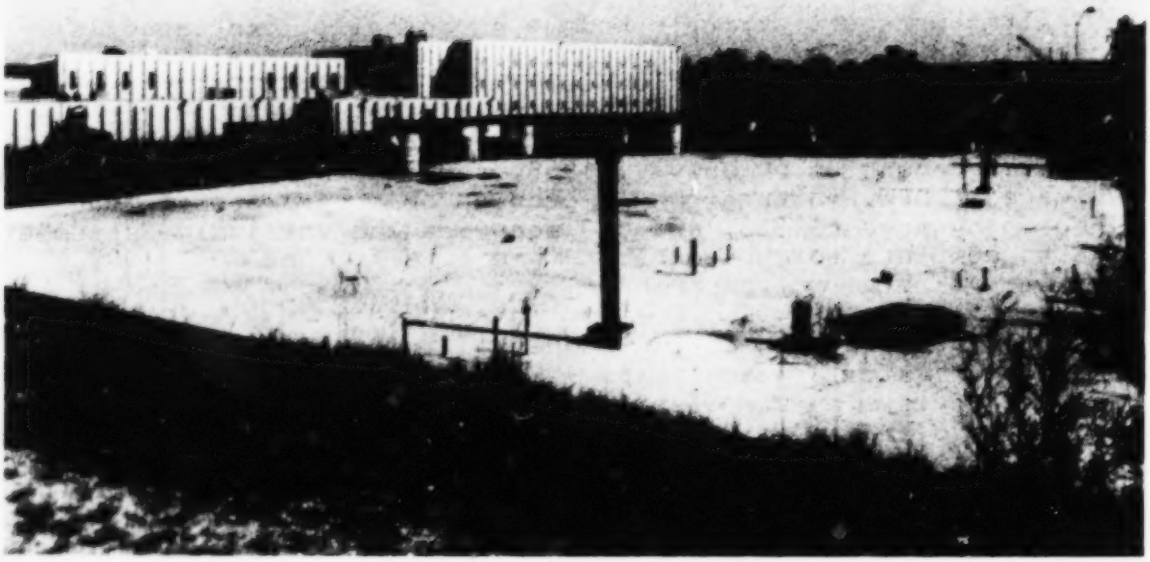
Figure II.5 Academic Building at Central

Source: U.S. General Accounting Office

Figure II.6 Vocational Building at Central

Source: U.S. General Accounting Office

Figure II.7 Vocational Building at Central



Source: U.S. General Accounting Office

The reasons for the construction delays disclosed by our review included less time than normal for planning, the disruptive effects of the reorganization that led to the establishment of DPW, a lengthy procurement process, inadequate oversight of construction activities, and poor management practices.

LESS TIME THAN NORMAL FOR PLANNING

Although the District's budget is normally formulated 18 months in advance of the effective date of the fiscal year appropriation, planning for capital projects begins even earlier. For example, projects proposed for the fiscal years' 1987 to 1992 Capital Improvements Program were to be submitted to DPW by requesting agencies by July 1, 1985, for development of cost estimates. DPW, in turn, would provide cost estimates to the agencies by August 1985, and the agencies had until mid-September 1985 to complete forms requesting projects for the 1987-1992 Program.

Due dates for submitting requested information for capital projects are similar each year. The overall 18-month process includes reviews by the District's Office of Budget, City Council, the Office of Management and Budget, and congressional appropriation committees before the fiscal year appropriation is submitted to Congress for approval.

In contrast to this normal process, the concept to expand the academic and vocational programs--and the facilities to accommodate this expansion--under CJI was developed near the end of the fiscal year 1984 budget process. The Assistant Director for Administrative Services in Corrections told us that, in July 1983, committee staff asked Corrections to provide an estimate of funds needed to develop a basic literacy program for residents of the District's correctional institutions. Although Corrections initially estimated that $750,000 would be required, it was informed that congressional legislators were considering a greater expansion of existing programs.

Corrections recomputed its estimate and notified congressional staff that $8 million--including $4.2 million in capital funds--would substantially expand existing programs and provide additional space. In October 1983--less than 3 months from the time it was first contacted by committee staff--Corrections was provided $22.3 million as a special increase in its appropriation for fiscal year 1984 to implement CJI. Corrections officials told us that the

substantial increase in the funds appropriated, in essence, negated the preliminary planning efforts, and Corrections had to simultaneously plan and implement program and facilities expansion.

DEPARTMENTAL REORGANIZATION

DPW officials also noted that DPW was not in existence when CJI began. DPW was established in March 1984 by consolidating operational units from several existing District departments. Specifically, the reorganization consolidated all of the functions of the Department of Transportation (with the exception of the shuttle bus service), various functions of the Department of Consumer and Regulatory Affairs and the Department of General Services and the functions of the Department of Environmental Services, except Office of Environmental Standards and Quality Assurance.

The consolidation of these entities from diverse locations into a single, large, centralized department necessitated the movement of personnel, property, and records. For example, functions transferred from Transportation involved 853 positions and $30.8 million; transfers from General Services included 117 positions and $5.2 million; and the movement from Environmental Services involved 1,003 positions and $33.1 million. The transfer of these functions occurred in March 1984, shortly before the A/Es were selected to design the buildings. According to DPW officials, such a large transfer of staff, funds, and functions disrupted operations and affected DPW's ability to give the CJI projects adequate management attention. DPW officials told us in June 1987 that it had just put in place the organization and personnel it considers necessary to properly carry out its mission.

LENGTHY PROCUREMENT PROCESS

During our review, several DPW officials noted that the District's lengthy procurement process for reviewing and awarding construction contracts contributed to the delays in completing the CJI facilities. A November 1985 report prepared by the National Academy of Public Administration (NAPA)--Options for Procurement Reform in the District of Columbia--supported the contention that the process is lengthy and characterized the District's procurement system as huge and complex.

Before June 1986, the Department of Administrative Services (DAS) had a major role in processing DPW's bid solicitations and construction contract documents. According to the NAPA report, this process involved a myriad of steps and normally required more than 105 days to award a contract after the agency requested a procurement. The report pointed out that in addition to the 39

federal and District statutes which govern District procurement activities, there are also important--and mandatory--socio-economic programs which are included in the standard contract provisions. These programs include

-- Utilization of Minority Business Enterprises: administered by the Minority Business Opportunity Commission, which ensures that 35 percent of the District's procurement dollars are spent with certified minority contractors.

-- Purchase of Products and Services from the Blind and Other Severely Handicapped: administered by a committee appointed by the Mayor to ensure a market for products and services provided by the blind and other severely handicapped persons.

-- Employment Agreement: administered by the Department of Employment Services, this program ensures that bidders agree to furnish to District residents at least 51 percent of jobs created as a result of the contracts.

-- Non-discrimination in Employment: administered by the Office of Human Rights, this program requires that prior to award of contract, the apparent low bidder must submit an Affirmative Action Plan to the District.

The NAPA report noted that DAS had established a goal of reducing contract processing time to 105 days but was having difficulty meeting its objectives due to the numerous clearances by the Department of Employment Services, Minority Business Opportunity Commission, Office of Human Rights, Contract Review Committee, and other signature authorities.

During our review we noted an example of this lengthy contracting process. On December 16, 1985, bids were solicited for construction of the CJI facilities at Youth Centers I and II, and Occoquan II. Only one bid was received, and it exceeded the District's estimate by 28 percent. During February 1986, DPW rejected the bid and began negotiating a more favorable price with the sole bidder. Final negotiations occurred on March 21, 1986, and the Mayor ultimately approved the procurement on June 13, 1986 --nearly 6 months following bid solicitation.

In June 1986, DAS transferred to DPW the responsibility for advertising solicitations and opening of bid documents. This transfer of authority was intended to improve workflow, reduce idle time associated with contract processing, reduce the possibility of misplacing contract files and documents, and minimize processing time of contracts. DPW's Director told us that by having direct

control over the staff responsible for these procurement activities, delays in awarding future contracts should be minimized.

INADEQUATE OVERSIGHT OF CONSTRUCTION ACTIVITIES

Inadequate inspection services at the site and inadequate oversight of inspection activities at DPW headquarters allowed the foundation construction to go forward to completion without DPW having knowledge of what was actually constructed, and whether it was in accordance with approved designs and specifications. DPW had to make an extensive investigation to determine the extent to which the deficiencies in the foundations would impact on superstructure construction. As a result, rather than commencing superstructure construction in August 1986, the contractor was delayed until November 1986.

Although DPW had set aside funds--about $45,000--to pay the A/E firms to monitor the foundation construction, DPW relied on its in-house inspection staff to monitor the CJI construction activities. DPW assigned one full-time inspector to oversee all construction activity at the Lorton correctional complex, including the CJI foundation construction. The daily inspection reports prepared by the inspector did not meet the requirements set forth in various District operating instructions.

The requirements state that the inspector is required to maintain a daily diary from the day he is assigned to the job until his assignment ends, that the diary constitutes the historical record of the project, and that the diary records pertinent information on work progress, construction difficulties, materials and work rejected, the reason for rejection, and many other related factors. The inspector is also required to inspect all work performed for compliance to contract drawings and specifications and approved shop drawings.

The diary is required to be prepared in duplicate, with the copy constituting a daily report of activities. These daily reports are accumulated and are required to be reviewed by the inspector's supervisor, in this case the responsible area engineer, each week. The regulations require the area engineer to authenticate the last entry each week by initialing and dating. Entries are not ordinarily required for Saturdays, Sundays, or holidays, unless the contractor has a work force on the job site.

The reports prepared by the inspector responsible for the CJI projects did not meet established requirements and indicate that inspection procedures were not adhered to. For example, the daily reports do not specify which sites were visited on given days,

whether required tests were made, what progress was being made, or problems encountered.

The reports also state that construction took place without any DPW inspector on the site, although District instructions require that an inspector be present whenever the contractor is working. For example

-- reports noted that the contractor had worked at the site while the inspector was on annual or sick leave; inspection reports were not prepared for those periods because no substitute inspector had been assigned; and

-- one report indicated that the contractor poured 83 cubic yards of concrete on a Saturday with no inspector present.

These reports were submitted to the responsible area engineer for review, but no action was taken to ensure the reports were prepared according to established requirements. Also, no action was taken to ensure that an inspector was present when construction activities took place on weekends or while the assigned inspector was on leave.

We discussed the inspection function with DPW officials. They cited the lack of available inspectors to adequately monitor work at Lorton but did not explain why they did not use the A/Es to carry out the monitoring function, other than to say that they preferred using in-house staff. In addition, the area engineer said he did not have time to review the daily reports but only scanned the reports. He said he noted deficiencies in the reports but relied on daily telephone conversations with inspectors to discuss progress and problems on projects.

Certainly telephone conversations serve as an important link between a supervisor and his subordinates and in some cases represent the quickest, most efficient way to solve a problem. Such conversations are provided for in the instructions on inspectors' responsibilities but not as a substitute for daily reports. In this case, such conversations were not an effective substitute because, as discussed on page 11, DPW needed to make an in-depth study to find out what had been constructed.

The Director, DPW, acknowledged that oversight of the CJI foundation construction was insufficient, and has initiated corrective action to improve inspection activities and ensure that contractors construct quality facilities in a timely manner. To improve inspection of all Lorton construction projects, DPW entered into an 18-month contract with a construction management firm in June 1986. This firm is utilizing four inspectors at Lorton, two of whom are assigned to the CJI projects. Recognizing that its

inspection unit was understaffed, DPW requested--and received--approval to hire eight additional staff for the Construction Evaluation Branch.

DPW also established the Office Engineering Branch. This unit is responsible for activities, such as

-- maintaining complete and up-to-date drawings and specifications for each contract,

-- reviewing drawings submitted by the contractor for compliance with contract requirements,

-- evaluating requests to deviate from initial design, and

-- assisting field staff during inspection of all aspects of construction to ensure that all contract work is in accordance with specifications.

DPW has also modified its construction contract provisions to provide for construction contractor performance ratings. This modification is intended to prevent unqualified contractors from bidding on--and being awarded--additional construction contracts. The criteria against which contractors will be rated include timeliness of performance, quality of work, effectiveness of management, and compliance with safety standards. Failure on the part of a contractor to rectify the cause of an unsatisfactory performance rating is considered sufficient cause to debar the contractor from consideration for award of future contracts or subcontracts.

DPW has also added a special stipulation to all construction contracts which requires that a contractor--upon completion of a facility--furnish DPW as-built drawings. These drawings constitute the record of the construction as installed and completed by the contractor. Had they been required on the CJI projects, the need for the extensive investigation of the as-built conditions of the foundations would likely have been minimized.

POOR MANAGEMENT PRACTICES

The CJI projects were assigned a high priority, and the phased design and construction technique was adopted in an attempt to expedite construction. However, DPW did not provide the management continuity necessary to ensure that the projects maintained a rate of progress commensurate with the priority assigned to the projects. For example, the projects had five different project managers responsible for CJI construction during the 3-year period

funds were available. Under any construction technique, such an absence of continuity could be a problem.

We noted the effects of the lack of continuity in the CJI projects when we attempted to identify the reasons for various delays in both contracting and construction. The various individuals acting as project managers disclaimed any knowledge of CJI activities that took place before the beginning of their tenure. One project manager said that due to the emphasis to expedite construction, he had little time to research what transpired before his assignment.

DPW management also made decisions during the course of the projects which hindered--rather than accelerated--progress. For example, following the fiscal year 1984 budget process, the District reviewed the scope of the projects in relation to the $8.5 million of capital funds provided to DPW and determined that an additional $3.8 million would be needed to construct the projects as envisioned. At this point, DPW had two alternatives: (1) construct as many complete facilities--foundations and superstructures--as the initial appropriation would have allowed, or (2) delay bid solicitation for all seven superstructures until supplemental funds were available. DPW opted for the latter alternative. However, DPW could have made more timely progress by using the available funds to construct as many complete facilities as possible while it requested supplemental appropriations to complete the entire projects, as it subsequently opted to do.

Initially, DPW said that its policy was to go forward with a project only if it had sufficient funds in hand to complete the entire project. Subsequently, DPW contracted for construction of the first three buildings, while it negotiated for a more reasonable price on the remaining four buildings, and while it sought the additional funds required to complete the remaining buildings.

DPW also exhibited limited management attention with respect to the inspection of the foundation construction activities. The area engineer--who no longer occupies that position--did not fulfill his supervisory responsibilities. For example, the area engineer did not ensure that adequate inspection staff was available to monitor construction of the foundations when the assigned inspector was on leave or when the contractor worked on weekends. He also did not ensure that the inspector prepared daily inspection reports in accordance with established policies and procedures.

DPW acknowledges that insufficient management attention was a contributing factor to the delays in completing the CJI projects but pointed out corrective action which has been taken to minimize

such problems in the future. For example, DPW is reviewing its internal management practices to determine what new procedures need to be established and how existing processes can be improved to enhance departmental operations.

DPW also established--in July 1986--the Capital Program Management Office to provide increased central coordination and management of the capital program within DPW. The staff of this office provides management oversight of the capital program, tracks critical project issues for timely resolution, and provides ongoing capital program evaluation and analyses.

DPW has also established a comprehensive capital management reporting system to provide all levels of management with current status information that will assist them in their management activities. The reports generated by the system provide managers information, such as contract processing, design, and construction status; funding authority, source, and problems; and implementation delays and other critical issues related to the projects.

By implementing these corrective actions, the Director of DPW intends to deal with issues concerning capital projects before they become problems.

CONCLUSIONS

The seven new academic and vocational buildings to be erected at the Lorton correctional complex were intended to be operational by October 1985. As of June 30, 1987, none of the buildings had been completed.

DPW has initiated action to correct the management weaknesses encountered on the CJI projects and to improve overall departmental operations. However, it is too early to precisely determine the extent to which DPW's corrective action will resolve such problems.

RECOMMENDATION

Recognizing that the Director of DPW has taken action to improve departmental operations, we recommend that the Mayor, after allowing sufficient time for corrective measures to be implemented, direct the City Administrator to have an independent assessment made of the effectiveness of the operational improvements.

AGENCY COMMENTS

We provided a draft of this report to DPW and Corrections for their comments. (See app. III.) DPW acknowledged that the CJI construction did not represent DPW's best effort either in terms of its contractors' performance or DPW's management oversight of the project. DPW commented that the report had recognized the impact that the short time frame had on the District's planning efforts, the District's effort to produce tangible results within the short time frame, and the changes made to improve DPW's construction project management in light of the construction problems experienced with the Lorton CJI projects.

Corrections said that the report was both accurate and comprehensive. Corrections agreed that while virtually no time was allowed for conceptualizing and planning the project, procurement regulations, contractual procedures and construction management practices also contributed significantly to the delay in delivery of completed educational facilities. Corrections said the first facility--at Youth Center I--had been completed on August 14, 1987.

COMMENTS FROM THE GOVERNMENT OF THE DISTRICT OF COLUMBIA

GOVERNMENT OF THE DISTRICT OF COLUMBIA
EXECUTIVE OFFICE

OFFICE OF THE CITY ADMINISTRATOR
DEPUTY MAYOR FOR OPERATIONS

THOMAS M. DOWNS
CITY ADMINISTRATOR
DEPUTY MAYOR FOR OPERATIONS
1350 PENNSYLVANIA AVE., N.W. — ROOM 507
WASHINGTON, D.C. 20004

SEP 4 1987

Mr. William J. Anderson
Assistant Comptroller General
U.S. General Accounting Office
Washington, D.C. 20548

Dear Mr. Anderson:

Enclosed are comments from Department of Public Works and Department of Corrections on the draft report entitled, Problems Have Created Delays in Constructing Educational Facilities at Lorton.

Should you have any questions please contact Karen Rooths of my staff on 727-6645.

Sincerely,

Thomas M. Downs
City Administrator/Deputy Mayor
for Operations

Enclosures

COMMENTS FROM THE GOVERNMENT OF THE DISTRICT OF COLUMBIA

GOVERNMENT OF THE DISTRICT OF COLUMBIA
DEPARTMENT OF PUBLIC WORKS
2000 14th STREET N W
5th FLOOR
WASHINGTON D C 20009

OFFICE OF THE DIRECTOR

August 24, 1987

MEMORANDUM

TO: Thomas M. Downs, City Administrator/
Deputy Mayor for Operations

FROM: John E. Touchstone
Director of Public Works

SUBJECTS: General Accounting Office Draft Report:
Educational Facilities at Lorton

The Department of Public Works has reviewed the General Accounting Office's (GAO) Draft Report, to the Chairman of the Senate Sub-Committee on the District of Columbia Appropriations, regarding problems and delays in constructing the educational facilities at Lorton. While it does not represent our best efforts, in terms of our contractors performance and our management oversight, we feel that the GAO investigation did point out that the Department "attempted to produce tangible results in short time frames, which were imposed upon the District by the Congress," by fast tracking the project.

More specifically, the draft report stressed the fact that the District was not given ample time for capital project planning and budget formulation, prior to the project's implementation. This is a significant factor, in that a normal lead time for project implementation would have allowed the Department of Public Works an opportunity to:

1. schedule the project within our existing project implementation plan;

2. staff-up the engineering and inspection teams to accommodate the size of the project; and

3. develop a detailed scope of work and cost estimates to support the development of sound specifications and procurement documents.

The GAO report also recognized the impacts associated with the reorganization, as well as problems experienced by the Department

COMMENTS FROM THE GOVERNMENT OF THE DISTRICT OF COLUMBIA

due to a lengthy procurement process, an element of the project's implementation phase that was beyond our control prior to procurement reform in 1986.

In light of the problems associated with construction efforts at Lorton, and our subsequent investigations of engineering project deficiencies, the GAO Draft Report discussed in detail specific management changes instituted under my direction, to correct and eliminate problems of this type from reoccurring with capital improvement projects in the future.

COMMENTS FROM THE GOVERNMENT OF THE DISTRICT OF COLUMBIA

Government of the District of Columbia
DEPARTMENT OF CORRECTIONS
Suite N-203
1923 Vermont Avenue, N.W.
Washington, D.C. 20001

Office of the Director

AUG 24 1987

MEMORANDUM

TO: Thomas M. Downs
City Administrator/Deputy
Mayor for Operations

FROM: Hallem H. Williams, Jr.
Director

SUBJECT: GAO Draft Report -- Criminal Justice Initiative

The report on the Criminal Justice Initiative capital appropriation of $12.3 million addresses the execution of the following program stages:

1. Inception
2. Appropriation of Funds
3. Construction Activity

The report covers the period from July 1983 through June 1987.

This agency finds the GAO report to be both accurate and comprehensive in its presentation of "findings of fact." There was virtually no time allowed for conceptualization and planning for this project. The normal budget cycle would have allowed at least eighteen months. Procurement regulations, contractual procedures and construction management practices did also contribute significantly to the delay in delivery of completed educational facilities.

The first milestone has now been completed, with the turnover by the Department of Public Works to Corrections of the Youth Center I educational facilities on August 14, 1987.

COMMENTS FROM THE GOVERNMENT OF THE DISTRICT OF COLUMBIA

Government of the District of Columbia
DEPARTMENT OF CORRECTIONS
Suite N-203
1923 Vermont Avenue, N.W.
Washington, D.C. 20001

Office of the Director

AUG 25 1987

Mr. William J. Anderson
Assistant Comptroller General
U.S. General Accounting Office
Washington, D.C. 20548

Dear Mr. Anderson:

Mayor Marion Barry, Jr. has forwarded a copy of the draft report entitled, Problems Have Created Delays In Constructing Educational Facilities At Lorton, to the D. C. Department of Corrections for comment. You forwarded this draft to the Mayor on August 5, 1987.

My staff has reviewed this document and, from our perspective, we find it to be accurate and comprehensive in its presentation of "findings of fact." I am sure that comments from the Department of Public Works will be forthcoming.

Our records and participation substantiate the fact that there was virtually no time allowed for conceptualization and planning for this project. The normal budget cycle would have allowed at least eighteen months. Procurement regulations, contractual procedures and construction management practices did also contribute significantly to the delay in delivery of completed educational facilities.

The first milestone has now been completed, with the turnover by the Department of Public Works to Corrections of the Youth Center I educational facilities on August 14, 1987.

Sincerely,

Hallem H. Williams

Hallem H. Williams, Jr.
Director

(429450)

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